Form 3160-3					1	APPROV o. 1004-0	
(August 1999)	ann a				Expires No		
UNITED STA		סורס			5. Lease Serial No.		.,
DEPARTMENT OF THE BUREAU OF LAND MA					UTU-8347		
APPLICATION FOR PERMIT T			REENTER		6. If Indian, Allottee	or Tribe	Name
		***************************************			7. If Unit or CA Ag	eement, l	Name and No.
la. Type of Work: X DRILL R	EENTER				Love		
					8. Lease Name and		
b. Type of Well: Oil Well Gas Well Other	[Sing	gle Zone	Multiple Zone	LOVE UNIT 1	121-0	D3NT
2. Name of Operator KERR McGEE OIL & GAS ONSHORE LP					9. API Well No.	?-047	-39391
3A. Address			include area co	de)	10. Field and Pool, o	r Explora	atory
1368 SOUTH 1200 EAST VERNAL, UT 84078	(435)	781-70	024		11. Sec., T., R., M.,	or Pik at	ad Survey or Area
4. Location of Well (Report location clearly and in accordance will At surface SE/SW 1306'FSL, 1351'FWL	ith any State 23340 41588	e require X US	ements 7 39,98	5944	SEC. 3, T11S, F	·	id Barvey or Facu
At proposed prod. Zone		77	109.0	00 10	12. County or Parish		13. State
 Distance in miles and direction from nearest town or post office 18.55 +/- MILES SOUTH OF OURAY, UTAH 	C -				UINTAH		UTAH
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No		es in lease	17. Spacing Unit	t dedicated to this well		
18. Distance from proposed location*	19. Pro	oposed D	Depth	20. BLM/BIA B	•		
to nearest well, drilling, completed, applied for, on this lease, ft. TOPO C	8900'			BOND NO: V			
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5494'GL	22. Ap	oproxima	ite date work wi	ll start*	23. Estimated durat	ion	
	2	24. Att	achments				
The following, completed in accordance with the requirements of C	Onshore Oil	l and Gas	s Order No. 1, s	hall be attached to	this form:		
1. Well plat certified by a registered surveyor.					s unless covered by an exis	iting bond	d on file (see
2. A Drilling Plan.		1	Item 20 ab				
3. A Surface Use Plan (if the location is on National Forest System		e	Operator ce			.1	
SUPO shall be filed with the appropriate Forest Service Office.			Such other authorized		nation and/or plans as may	be requi	rea by the
25. Stephtuler . Il land land		Name	(Printed/Typed)		Date	
TITMU MMMUMO	7	SHE	ILA UPCHE	GO	and the second s	<u> </u>	6/4/2007
REGULATOR'S ANALYST				a de la companya de l			
Androved by Cignification		Name	(Printed/Typea			Date	7-17-27

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

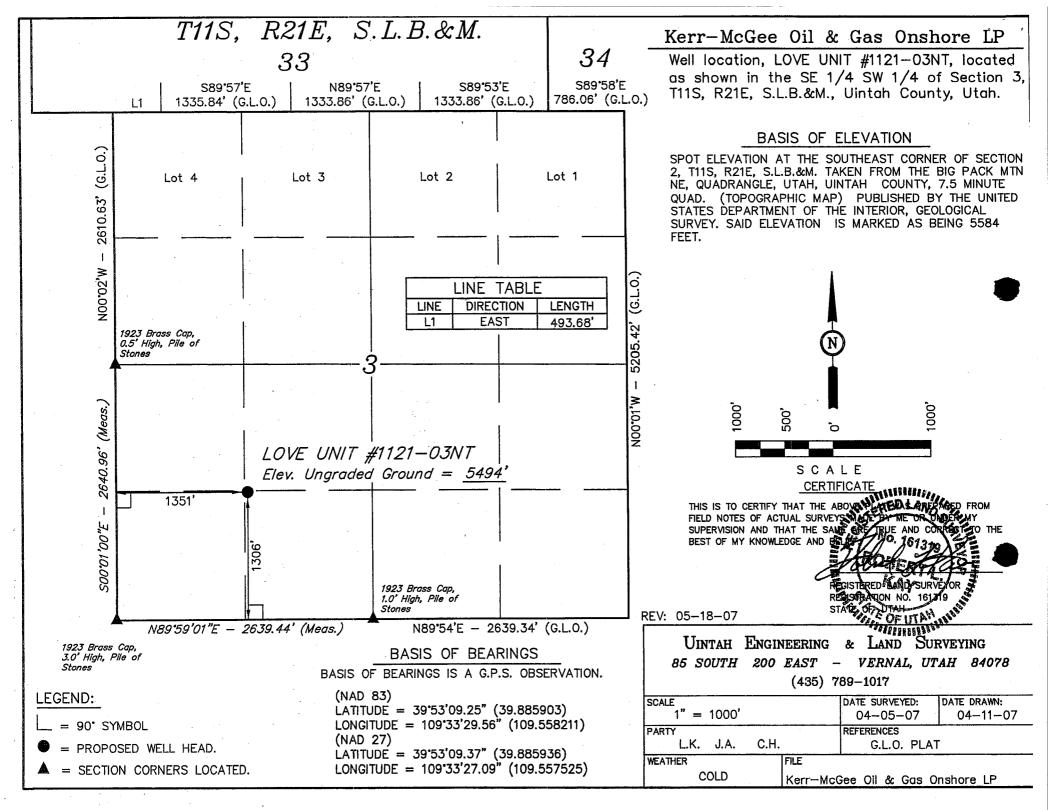
Conditions of approval, if any, are attached.

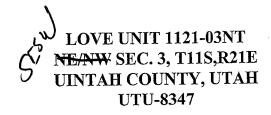
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Pederal Approval of this Action is Necessary

RECEIVED JUN 1 1 2007

^{*(}Instructions on reverse)





ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

Formation	<u>Depth</u>
Uinta	0- Surface
Green River	891'
Top of Birds Nest Water	1141'
Mahogany	1490'
Wasatch	4002'
Mesaverde	6782'
MVU2	7798'
MVL1	8346'
TD	8900'

2. <u>Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations</u>:

Substance	<u>Formation</u>	<u>Depth</u>
	Green River	891'
Water	Top of Birds Nest Water	1141'
	Mahogany	1490'
Gas	Wasatch	4002'
Gas	Mesaverde	6782'
Gas	MVU2	7798'.
Gas	MVL1	8346'
Water	N/A	. *
Other Minerals	N/A	

3. Pressure Control Equipment (Schematic Attached)

Please refer to the attached Drilling Program.

4. Proposed Casing & Cementing Program:

Please refer to the attached Drilling Program.

5. <u>Drilling Fluids Program</u>:

Please refer to the attached Drilling Program.

6. <u>Evaluation Program</u>:

Please refer to the attached Drilling Program.

7. Abnormal Conditions:

Maximum anticipated bottomhole pressure calculated at 8900' TD, approximately equals 5518 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3560 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. Anticipated Starting Dates:

Drilling is planned to commence immediately upon approval of this application.

9. Variances:

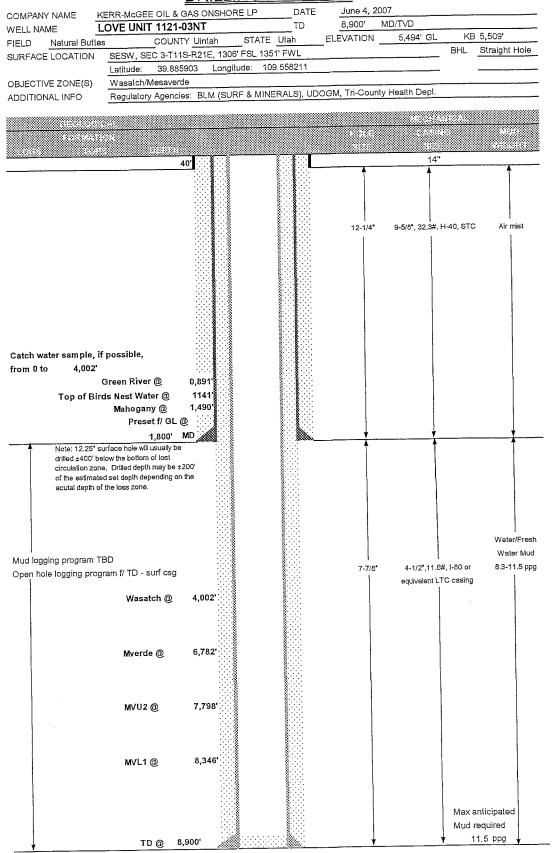
Please refer to the attached Drilling Program.

10. Other Information:

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM





KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

CASING PROGRAM										
7.13										
CONDUCTOR	14"	0	-40'			***************************************				
								2270	1370	254000
SURFACE	9-5/8"	0	to 18	300	32.30	H-40	STC	0.67*****	1.63	4.99
								7780	6350	201000
PRODUCTION	4-1/2"	0	to 89	900	11.60	1-80	LTC	2.31	1,19	2.23
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,										

(Burst Assumptions: TD =

11.5 ppg)

.22 psi/ft = gradient for partially evac wellbore

(Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

3364 psi

Burst SF is low but esg is much stronger than formation at 2000. EMVV. @ 2000* for 2270# is 21.8 ppg or 1.13 ps//fl

CEMENT PROGRAM

SURFACE LEAD	500	Premium cmt + 2% CaCl	215	60%	15.60	1.18
Option 1		+ :25:pps flocele				
TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt	50		15.60	1.18
		+ 2% CaCl + 25 pps flocele				
TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE		NOTE: If well will circulate water to su	irface, op	tion 2 will l	oe utilized	
Option 2 LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite	170	35%	11.00	3.82
option 2		+ 25 pps Flocele + 3% salt BWOC				
TAIL	500	Premium cmt + 2% CaCl	180	35%	15.60	1.18
		+ 25 pps flocele				
TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION LEAD	3,500'	Premium Lite II + 3% KCI + 0.25 pps	380	60%	11.00	3.38
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		cellaflake + 5 pps gilsonite + 10% gel				
	Popposapagagagagagagagagag	+ 0.5% extender				
TAIL	5,400'	50/50 Poz/G + 10% salt + 2% gel	1510	60%	14.30	1.31
		+:1% R-3				

^{*}Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURF	ACE
------	-----

Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring

centralizers. Thread lock guide shoe.

PRODUCTION

Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow

spring centralizers.

ADDITIONAL INFORMATION

DRILLING SUPERINTENDENT:

Test casir	g head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.
BOPE: 1	*5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder &
tour shee	. Function lest rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper
& lower ke	lly valves.
Drop Toto	o surveys every 2000'. Maximum allowable hole angle is 5 degrees.
	have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.
Most rigs	have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be dullized.
NG ENGIN	EER: DATE:
	Brad Laney

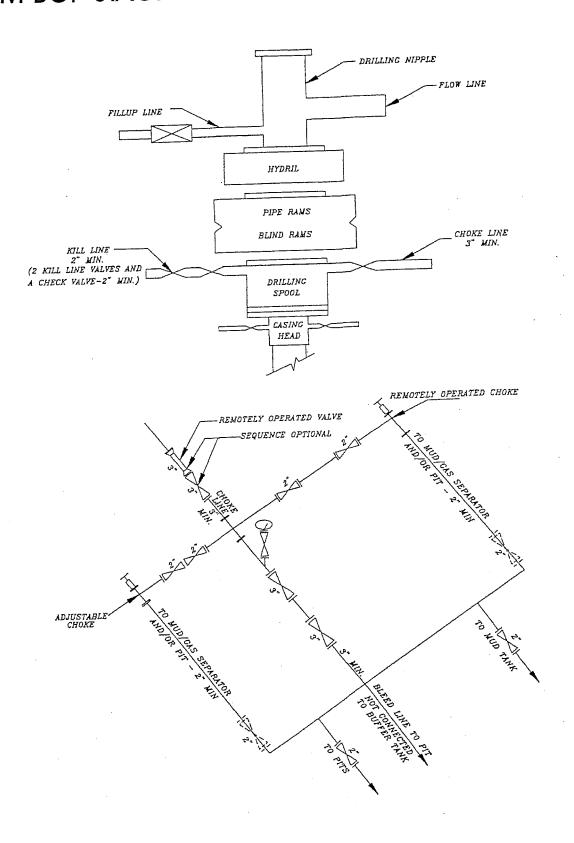
Randy Bayne LOVE 1121-03NT DHD

¹⁾ Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)

²⁾ MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)

^{*}Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

5M BOP STACK and CHOKE MANIFOLD SYSTEM



LOVE UNIT 1121-03NT SE/SW SEC. 3, T11S, R21E UINTAH COUNTY, UTAH UTU-8347

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Directions to the proposed location are attached.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. Planned Access Roads:

The operator will utilize the existing access roads. Refer to Topo Map B.

The access road will be crowned (2 to 3%), ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Surface disturbance and vehicular traffic will be limited to the proposed location and proposed access route. Any additional area needed will be approved in advance. All construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. 1989.

The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free-flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing or shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches, and the turnouts kept clear so that snowmelt will be channeled away from the road.

3. Location of Existing Wells Within a 1-Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities & Pipelines:

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The requested color is Carlsbad Canyon (2.5 Y 6/2) as determined during the on-site inspection.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Variances to Best Management Practices (BMP) Requests:

Approximately 2850' +/- of 2" steel pipeline is needs upgraded to an 4" steel pipeline . Please refer to the Topo Map D. The pipeline will be butt-welded together.

The pipeline shall be installed on surface within access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

This exception to the BMP should be granted by the BLM Authorized Officer because indurated bedrock, such as sandstone, is at or within 2 feet of the surface and the soil has a poor history for successful rehabilitation.

5. Location and Type of Water Supply:

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec.32, T4S,R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner is to be used as discussed during on-site inspection. It will be a minimum of 20 mil thick and felt with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec.35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E. (Request is in lieu of filing Form 3160-5, after initial production).

8. Ancillary Facilities:

None are anticipated.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

10. Plans for Reclamation of the Surface:

Producing Location:

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

When the pit is backfilled, the topsoil pile shall be spread on the location up to the rig anchor points. The location will be reshaped to the original contour to the extent possible. The following seed mixture will be used to reclaim the surface for interim reclamation using appropriate reclamation methods. A total of 12 lbs/acre will be used if the seeds are drilled (24 lbs/acre if the seeds are broadcast). The per acre requirements for drilled seeds are:

Indian Rice Grass

6 lbs.

Needle & Thread Grass

6 lbs.

The operator shall call BLM for the seed mixture when final reclamation occurs.

11. Surface Ownership:

United States of America Bureau of Land Management 170 South 500 East Vernal, UT 84078 (435) 781-4400

13. Other Information:

A Class III archaeological survey has been performed and will be submitted when report becomes available..

A Paleontological survey has been performed and will be submitted when report becomes available.

WILDLIFE STIPULATIONS:

SAGE GROUSE: No Construction or Drilling March 15^{th} – June 14^{th} .

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance. The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

13. Lessee's or Operators's Representative & Certification:

Sheila Upchego Senior Land Admin Specialist Kerr-McGee Oil & Gas Onshore LP 1368 South 1200 East Vernal, UT 84078 (435) 781-7024 Randy Bayne Drilling Manager Kerr-McGee Oil & Gas Onshore LP 1368 South 1200 East Vernal, UT 84078 (435)781-7018

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil &Gas Onshore LP is considered to be the operator of the subject well. Westport Oil & Gas Company agrees to be responsible under the terms and the conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for the lease activities is being provided by BLM Nationwide Bond #WYB000291.

I hereby certify that the proposed drill site and access route has been inspected and that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Mile Mully Sheila Upchego

June 4, 2007 Date

Kerr-McGee Oil & Gas Onshore LP

LOVE UNIT #1121-03NT SECTION 3, T11S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 15.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 1.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD AND EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 0.15 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 49.55 MILES.

Kerr-McGee Oil & Gas Onshore LP

LOVE UNIT #1121-03NT LOCATED IN UINTAH COUNTY, UTAH SECTION 3, T11S, R21E, S.L.B.&M.

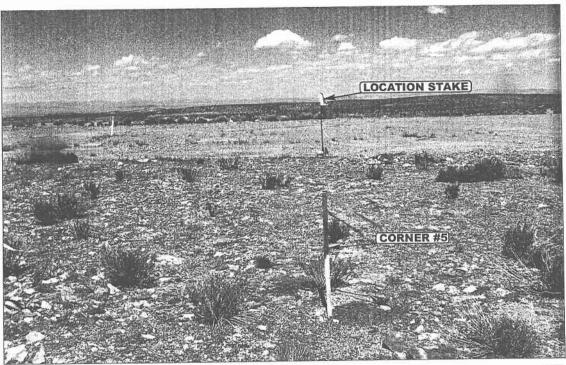


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY

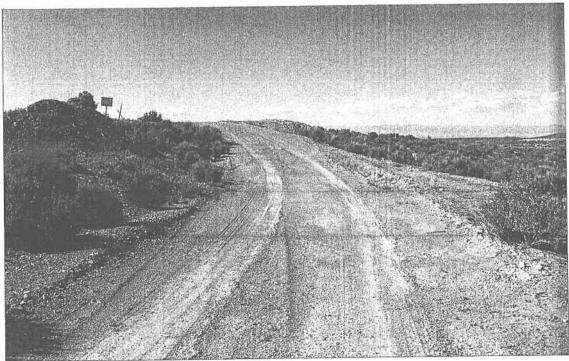


PHOTO: VIEW OF EXISTING ACCESS

CAMERA ANGLE: NORTHWESTERLY



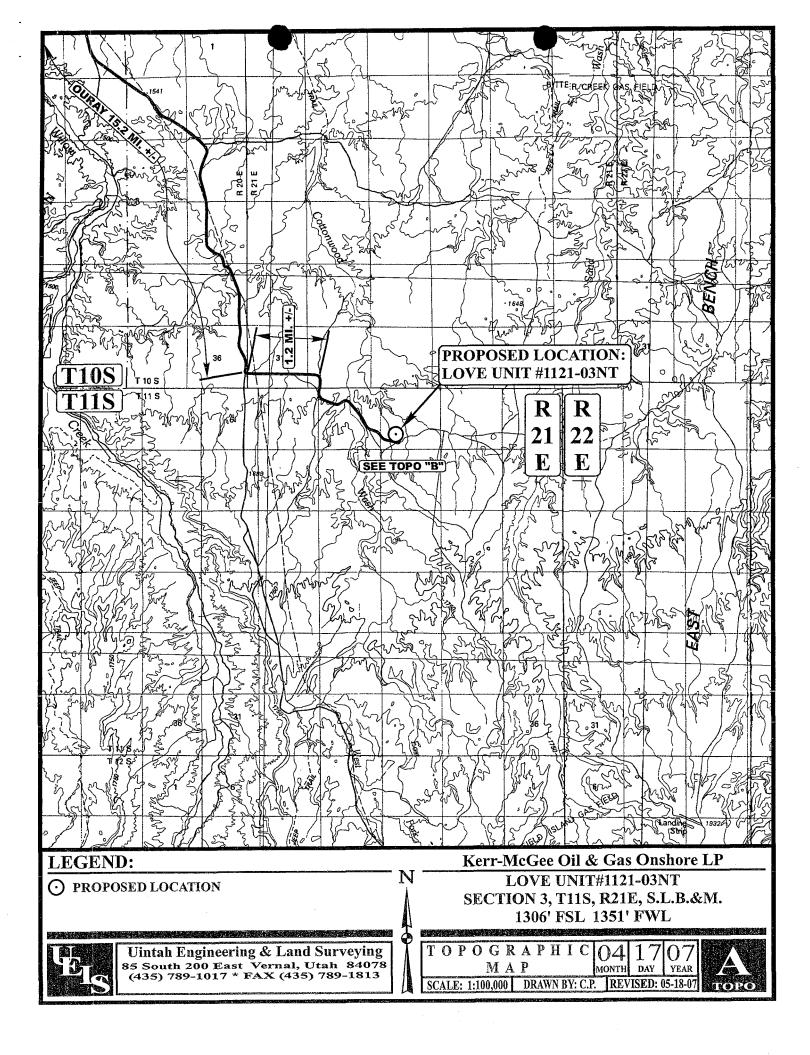
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

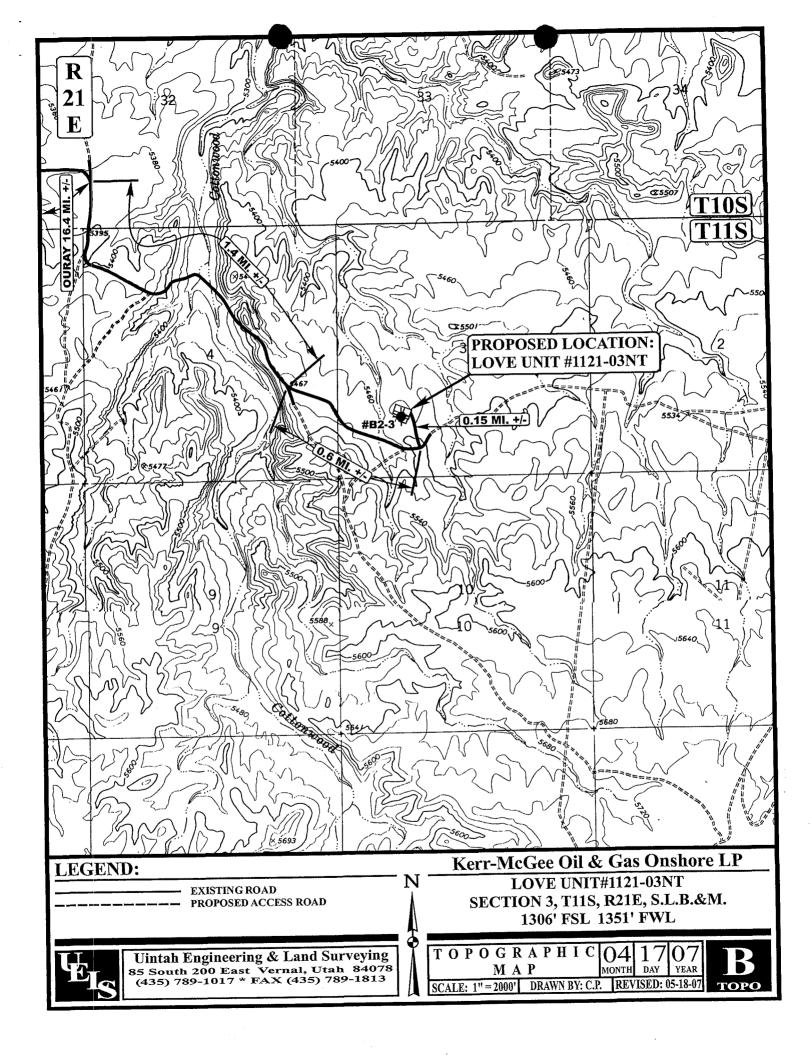
LOCATION PHOTOS

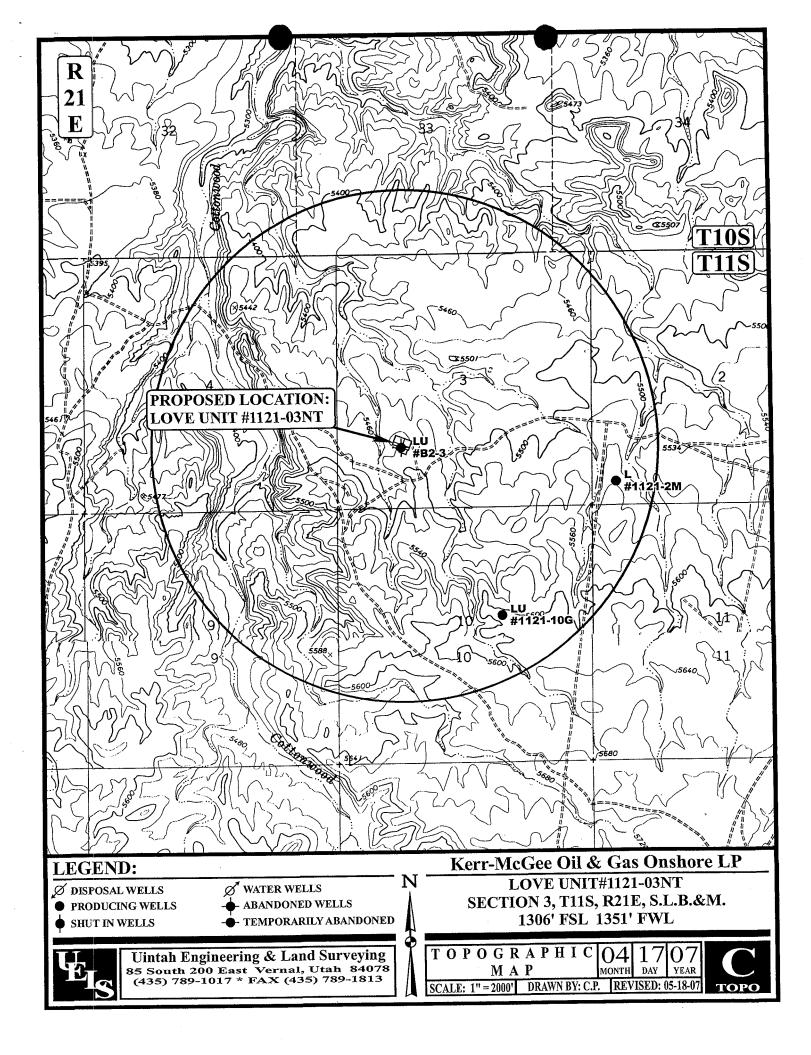
04 17 07 MONTH DAY YEAR

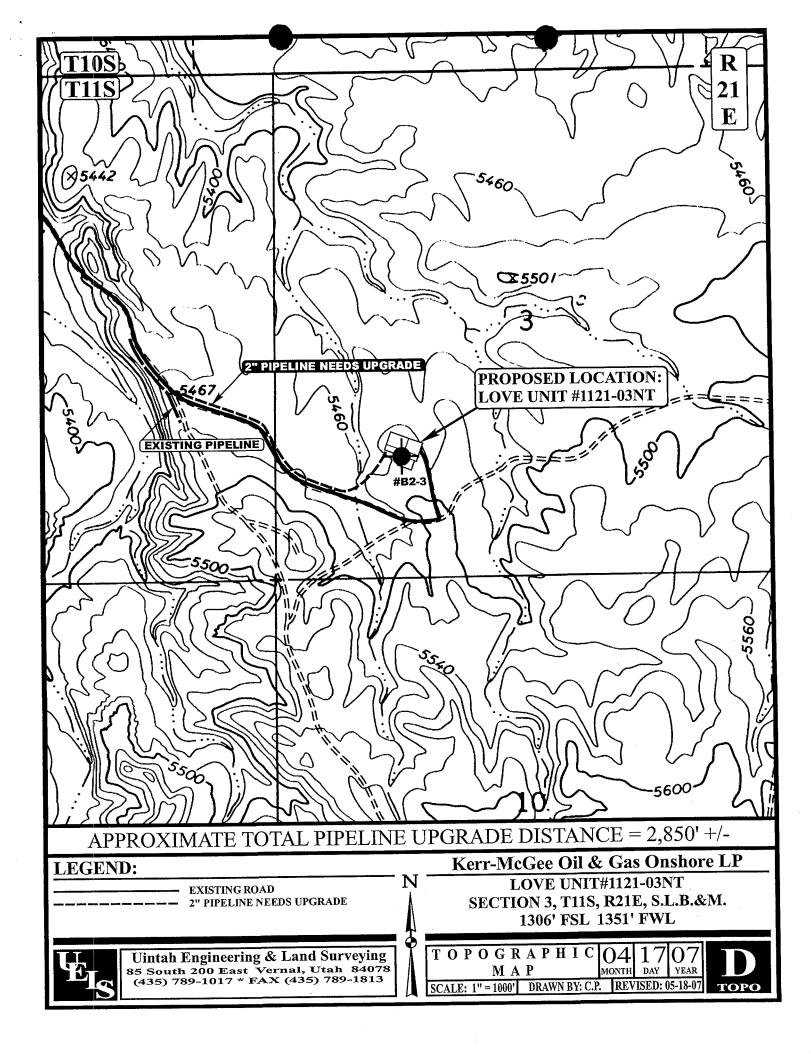
РНОТО

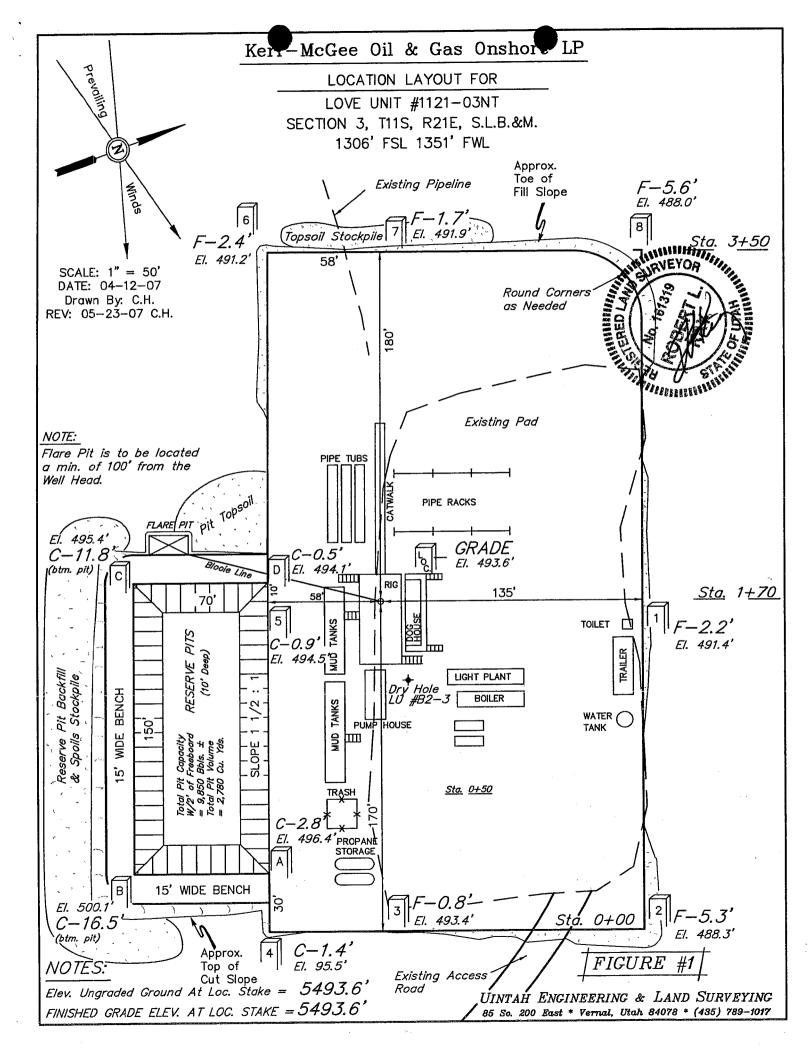
TAKEN BY: L.K. | DRAWN BY: C.P. | REVISED: 05-18-07

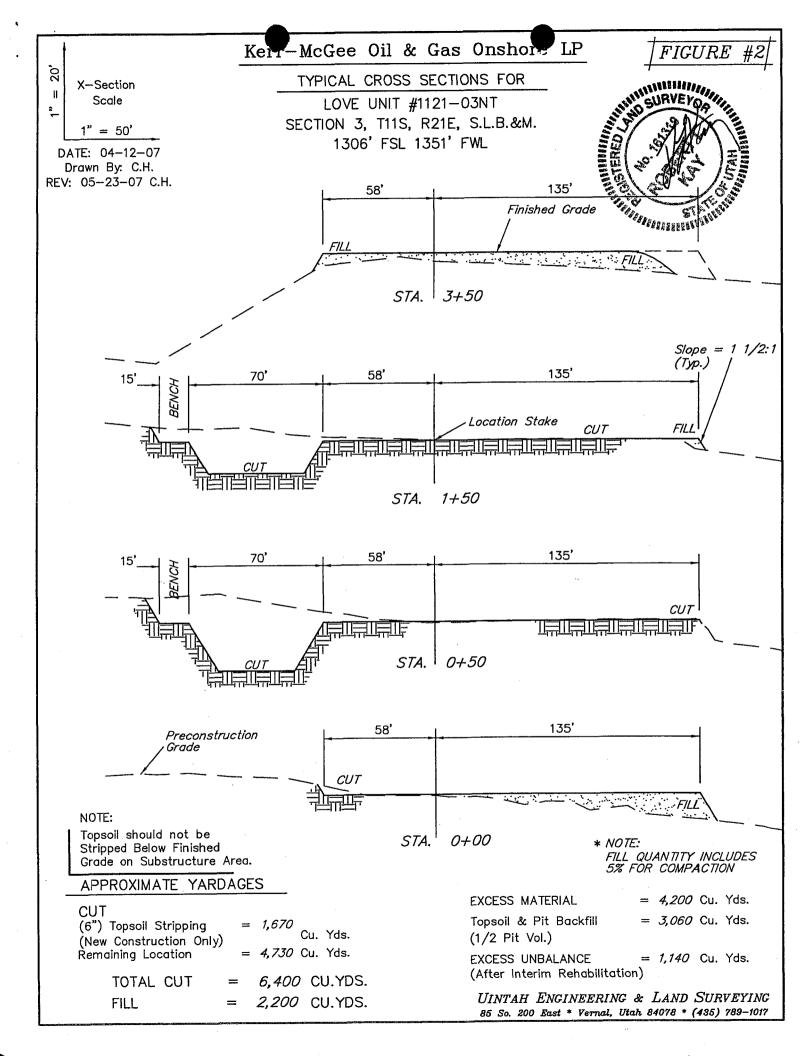




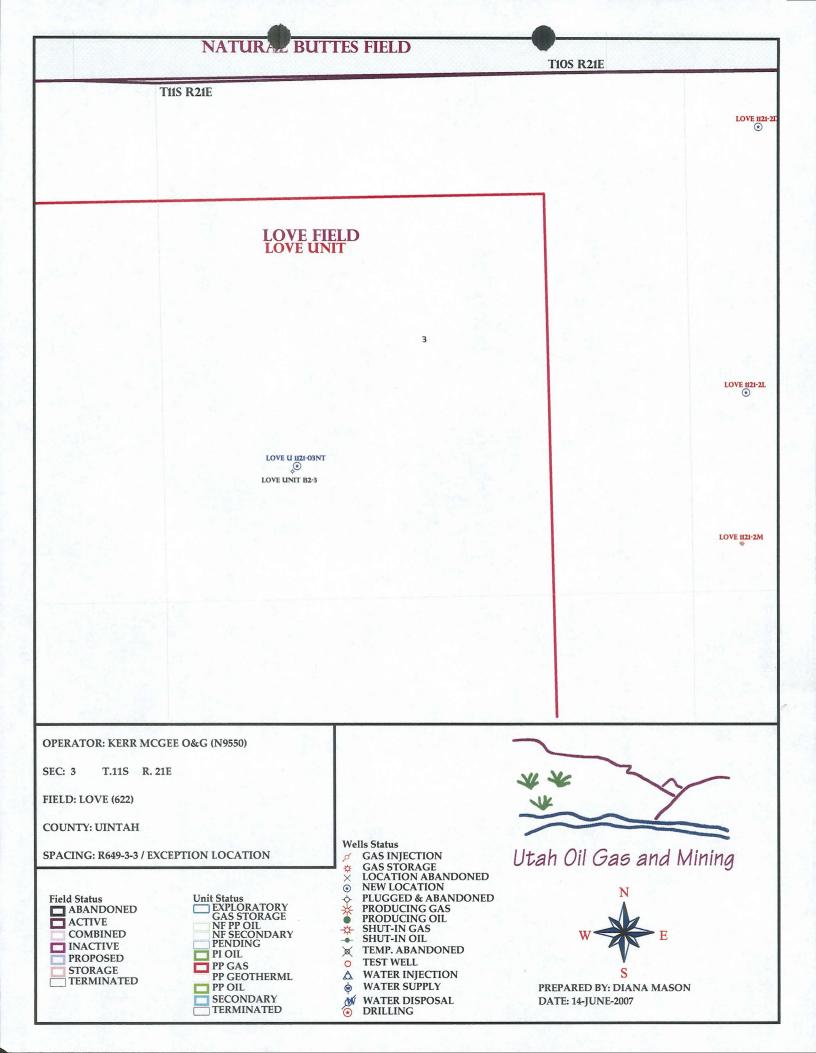








APD RECEIVED: 06/11/2007		API NO. ASSIG	GNED: 43-047	7-39391
WELL NAME: LOVE U 1121-03NT				
OPERATOR: KERR-MCGEE OIL & GAS (N2995)		PHONE NUMBER:	435-781-702	4
CONTACT: SHEILA UPCHEGO				
PROPOSED LOCATION:		INSPECT LOCATN	BY: /	/
SESW 03 110S 210E SURFACE: 1306 FSL 1351 FWL		Tech Review	Initials	Date
BOTTOM: 1306 FSL 1351 FWL		Engineering		
COUNTY: UINTAH		Geology		
LATITUDE: 39.88594 LONGITUDE: -109.5575				
UTM SURF EASTINGS: 623340 NORTHINGS: 44158		Surface		
FIELD NAME: LOVE (622 LEASE TYPE: 1 - Federal LEASE NUMBER: UTU-8347 SURFACE OWNER: 1 - Federal		PROPOSED FORMA:		۷D
Plat Bond: Fed[1] Ind[] Sta[] Fee[] (No. WYB000291) Potash (Y/N) Oil Shale 190-5 (B) or 190-3 or 190-13 Water Permit (No. 43-8496) RDCC Review (Y/N) (Date:) Fee Surf Agreement (Y/N) ALP Intent to Commingle (Y/N)	Re Unit: Re Si Re Dr I	ON AND SITING: 649-2-3. LOVE 649-3-2. Gener iting: 460 From Off 649-3-3. Excep rilling Unit Board Cause No: Eff Date: Siting: 649-3-11. Dire	tr/Qtr & 920' B	
STIPULATIONS: 1-teal (1) 2-Spannel	prova			



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

June 15, 2007

Memorandum

To:

Assistant District Manager Minerals, Vernal District

From:

Michael Coulthard, Petroleum Engineer

Subject:

2007 Plan of Development Love Unit Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following well is planned for calendar year 2007 within the Love Unit, Uintah County, Utah.

API#

WELL NAME

LOCATION

(Proposed PZ Wasatch/MesaVerde)

43-047-39391 Love Unit 1121-03NT Sec 3 T11S R21E 1306 FSL 1351 FWL

This office has no objection to permitting the well at this time.

/s/ Michael L. Coulthard

bcc:

File - Love Unit

Division of Oil Gas and Mining

Central Files Agr. Sec. Chron Fluid Chron

MCoulthard:mc:6-15-07



Kerr-McGec Oll & Gas Onshore LP 1999 Broadway, Suite 3700 Denver, CO 80205

June 21, 2007

EOG Resources, Inc. Mrs. Toni Lei Miller 600 17th Street, Suite 1000N Denver, CO 80202

Re: Request for Consent to Exception Well Location

Love Unit 1121-3NT Well

Township 11 South, Range 21 East

Section 3: SESW

1,306' FSL, 1,351' FWL

Uintah County, Utah

Love Unit

Dear Mrs. Miller:

Kerr-McGee Oil & Gas Onshore LP has staked and proposes to drill the Love Unit 1121-3NT well, a 8,600' Wasatch/Mesaverde formation test, located 1,306' FSL, 1,351' FWL (SESW) of Section 3-T11S-R21E, SLM, Uintah County, Utah. Enclosed is a copy of the survey plat along with a copy of a topo map depicting the proposed location of the subject well.

The State of Utah Board of Oil, Gas and Mining's Order in State Wide 649-3-2 established 40-acre drilling units for the development and production of gas and associated hydrocarbons from the Wasatch/Mesaverde formation and prescribes that the location of the permitted well in each drilling unit shall not be less than 460' from the exterior boundary of such drilling unit.

Since the location of the subject well is not in compliance with this spacing order, Kerr-McGee Oil & Gas Onshore LP will request the State of Utah Division of Oil, Gas and Mining's administrative approval of such location as an exception location in accordance with General Rule R649-3-3. This rule requires Kerr-McGee Oil & Gas Onshore LP to obtain written consent from all owners of directly or diagonally offsetting drilling units.

If EOG Resources, Inc. has no objections to Kerr-McGee Oil & Gas Onshore LP's drilling the subject well at the above-described exception location, Kerr-McGee Oil & Gas

Onshore LP respectfully requests you indicate your approval by executing in the space provided below and returning two (2) originally executed copies to my attention.

If you have any questions or require any additional information, please do not hesitate to call the undersigned at 720-264-6698.

Sincerely,

Kerr-McGee Oil & Gas Onshore LP

Landman

EOG Resources, Inc. consents to the above described exception location this

10t;h day of July Ken Boedeker Name: Division Engineering Manager

From-EOG RESOURCES, INC.



Kerr-McGee Oil & Gas Onshore LP 1999 Broadway, Suite 3700 Denver, CO 80205

July 12, 2007

Mrs. Diana Mason Division of Oil, Gas and Mining P.O. Box 145801 Salt Lake City, UT 84114-6100

RE:

Love Unit 1121-3NT

T11S-R21E Section 3: SESW

1,306' FSL, 1,351' FWL Uintah County, Utah

Dear Mrs. Mason:

Kerr-McGee Oil & Gas Onshore LP has submitted a permit to drill the captioned well to test the Wasatch and Mesaverde formations. The well is located at an exception location to State Rule 649-3-2. The well location was moved for topographic reasons. Kerr-McGee and EOG own 100% of the leasehold within 460 feet of the exception location. EOG's consent letter is also enclosed.

Kerr-McGee requests your approval of this exception location. If you have any questions, call me at 720-264-6698. Thank you for your assistance.

Sincerely,

Beau Colligan Landman

cc: Chris Latimer

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DIV. OF OIL, GAS & MINING





MICHAEL R. STYLER Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA Division Director

July 17, 2007

Kerr-McGee Oil & Gas Onshore LP 1368 S 1200 E Vernal, UT 84078

Re:

Love Unit 1121-03NT Well, 1306' FSL, 1351' FWL, SE SW, Sec. 3, T. 11 South,

R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-39391.

Sincerely,

Gil Hunt

Associate Director

pab Enclosures

cc:

Uintah County Assessor

Bureau of Land Management, Vernal Office



Operator:	Kerr-McGee Oil & Gas Onshore LP	
Well Name & Number	Love Unit 1121-03NT	
API Number:	43-047-39391	
Lease:	UTU-8347	

 Location:
 SE SW
 Sec. 3
 T. 11 South
 R. 21 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the division within 24 hours of spudding the well.

• Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dustin Doucet at (801) 538-5281 (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING	5. LEASE DESIGNATION AND SERIAL NUMBER:
	UTU-8347 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
SUNDRY NOTICES AND REPORTS ON WELLS	N/A
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	7. UNIT or CA AGREEMENT NAME: Love Unit
1. TYPE OF WELL ☐ GAS WELL ✓ OTHER	8. WELL NAME and NUMBER: Love 1121-03NT
2. NAME OF OPERATOR: Kerr-McGee Oil & Gas Onshore, LP	9. API NUMBER: 4304739391
3. ADDRESS OF OPERATOR: PHONE NUMBER:	10. FIELD AND POOL, OR WILDCAT:
P.O. Box 173779 CITY Denver STATE CO ZIP 80217-3779 (720) 929-6226	Natural Buttes Field
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1306' FSL & 1351' FWL	COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 3 11S 21E	STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPO	ORT, OR OTHER DATA
TYPE OF SUBMISSION TYPE OF ACTION	
□ NOTICE OF INTENT □ ACIDIZE □ DEEPEN	REPERFORATE CURRENT FORMATION
(Submit in Duplicate) ALTER CASING FRACTURE TREAT	SIDETRACK TO REPAIR WELL
Approximate date work will start: CASING REPAIR NEW CONSTRUCTION	TEMPORARILY ABANDON
CHANGE TO PREVIOUS PLANS OPERATOR CHANGE	U TUBING REPAIR
CHANGE TUBING PLUG AND ABANDON	VENT OR FLARE
SUBSEQUENT REPORT CHANGE WELL NAME PLUG BACK (Submit Original Form Only)	WATER DISPOSAL
Date of work completion: CHANGE WELL STATUS PRODUCTION (START/RESUME)	WATER SHUT-OFF
COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE	other: APD Extension
CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volume	nes, etc.
Kerr-McGee Oil & Gas Onshore, LP, respectfully requests an APD Extension for one year operations may be completed. The original APD was approved by the Utah Division of Oil	
Approved by the Utah Division of Oil, Gas and Mining	
Date: 07-14-08	COPY SENT TO OPERATOR Date: 7.15.2008 Initials: 45
NAME (PLEASE PRINT) Kevin McIntyre TITLE Regulatory Ana SIGNATURE DATE 7/9/2008	lyst I

(This space for State use only)

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JUL 1 0 2008



Application for Permit to Drill Request for Permit Extension Validation

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304739391 Well Name: Love 1121-03NT Location: SWSW, Sec. 3, T11S R21E Company Permit Issued to: Kerr-McGee Oil & Gas Onshore, LP Date Original Permit Issued: 7/17/2007
The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.
Following is a checklist of some items related to the application, which should be verified.
If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes □ No ☑
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes□No☑
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes□No☑
Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes□No ☑
Has the approved source of water for drilling changed? Yes□No☑
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes□No☑
Is bonding still in place, which covers this proposed well? Yes ☑No□
7/9/2008
Signature Date
Title: Regulatory Analyst I
Representing: Kerr-McGee Oil & Gas Onshore, LP

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JUL 1 0 2008



Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER

Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

February 24, 2009

Raleen White Anadarko Petroleum Corp. PO Box 173779 Denver, CO 80217-3779 43 DAT 39391 Love Unit 1121-03NT 115 215 3

Re: APDs Rescinded at the request of Anadarko Petroleum Corp.

Dear Ms. White:

Enclosed find the list of APDs that you requested to be rescinded to Anadarko Petroleum Corp. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective February 20, 2009.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject locations.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason

Environmental Scientist

cc: Well File

Bureau of Land Management, Vernal

SITLA, Ed Bonner



43047395730000	FEDERAL 1021-23P	108	21E	23	SESE			
43047395770000	FEDERAL 1021-25I	10S	21E	25	NESE			
43047395760000	FEDERAL 1021-25M	10S	21E	25	SWSW			
43047397930000	Federal 1021-25N	10S	21E	25	SESW			
43047395810000	FEDERAL 1021-34K	108	21E	34	NESW			
43047395520000	FEDERAL 1021-34M	108	21E	34	SWSW			
43047395560000	FEDERAL 1021-34P	10S	21E	34	SESE			
43047389890000	FEDERAL 1021-35F	10S	21E	35	SENW			
43047389760000	FEDERAL 1021-35G	10S	21E	35	SWNE	•		•
43047389380000	FEDERAL 1021-35H	108	21E	35	SENE	÷		
43047389350000	FEDERAL 1021-351	108	21E	35	NESE			
43047389330000	FEDERAL 1021-35P	10S	21E	35	SESE			
43047389370000	FEDERAL1021-35A	108	21E	35	NENE			
43047365050000	LOVE 1121-2B	11S	21E	02	NWNE			
43047394050000	LOVE UNIT 1121-10NT	11S	21E	10	SESW			
43047393910000	LOVE UNIT 1121-3NT	118	21E	03	swsw			
43047388240000	LOVE UNIT 1122-18C	118	22E	18	NENW			
43047388250000	LOVE UNIT 1122-18J	118	22E	18	NWSE			
43047388260000	LOVE UNIT 1122-18K	11S	22E	18	NESW			
43047396050000	LOVE UNIT 1122-18L	118	22E	18	NWSW			
43047396030000	LOVE UNIT 1122-19C	11S	22E	19	NENW			
43047386310000	MULLIGAN 823-23H	08S	23E	23	SENE			
43047387130000	MULLIGAN 823-240	08S	23E	24	SWSE			
43047393730000	NBU 1020-1KT	105	20E	01	NESW			
43047393740000	NBU 1020-24BT	108	20E	24	NWNE			
43047393760000	NBU 1021-11I	108	21E	11	NESE			
43047393800000	NBU 1021-11M	108	21E	11	SWSW		•	
43047393790000	NBU 1021-11P	108	21E	11	SESE			
4304739383	NBU 1021-12A	105	21E	12	NENE			
43047393860000	NBU 1021-12L - STATE	105	21E	12	NWSW			
				12				
43047393840000	NBU 1021-12N	108	21E 21E	15	SESW			
43047395470000	NBU 1021-15F	108			SENW			
43047395460000	NBU 1021-15L	10S	21E	15 15	NWSW			
43047395630000	NBU 1021-15P	10S	21E	15	SESE			
43047395260000	NBU 1021-20G STATE/FED		21E	20	SWNE			
43047395340000	NBU 1021-20J STATE/FED	10S	21E	20	NWSE			
43047395330000	NBU 1021-20K STATE/FED	10S	21E	20	NESW			
43047395320000	NBU 1021-20L STATE/FED	10S	21E	20	NWSW			
43047395310000	NBU 1021-200 STATE/FED	10S	21E	20	SWSE			
43047375280000	NBU 1021-21C (FKA C275)	10S	21E	21	NENW			
43047367020000	NBU 1021-21H	10S	21E	21	SENE			
43047395500000	NBU 1021-22A	10S	21E	22	NENE			
43047394030000	NBU 1021-23FT	10S	22E	23	SENW			
43047395600000	NBU 1021-23L	10S	21E	23	NWSW			
43047395780000	NBU 1021-25F	10S	21E	25	SENW			
43047395750000	NBU 1021-25J	10S	21E	25	NWSE			•
43047395610000	NBU 1021-25K	10S	21E	25	NESW			

43047395800000	NBU 1021-26D	108	21E	26	NWNW
43047395790000	NBU 1021-26E	10S	21E	26	SWNW
43047379680000	NBU 1021-6C	108	21E	06	NENW LOT 3
43047379670000	NBU 1021-6D	10S	21E	06	NWNW LOT 4
43047379410000	NBU 1021-7B	10S	21E	07	NWNE
43047401850000	NBU 921-31BT	09S	21E	31	NWNE
43047363950000	NBU 921-33K	09S	21E	33	NESW
4304740038	HATCH 923-13A	098	23E	13	NENE
4304740060	HATCH 923-13ED	09S	23E	13	SWNW
4304740059	HATCH 923-13O	09S	23E	13	SWSE
4304740061	HATCH 923-14M	09S	23E	14	SWSW
4304740143	HATCH 923-14O	09S	23E	14	SWSE
4304740064	HATCH 923-15B	09S	23E	15	NWNE
4304740062	HATCH 923-15L	09S	23E	15	NWSW
4304740063	HATCH 923-15P	09S	23E	15	SESE
4304740065	HATCH 923-24O	09S	23E	24	SWSE
4304740069	HATCH 923-25A	09S	23E	25	NENE
4304740068	HATCH 923-25I	09S	23E	25	NESE
4304740070	HATCH 923-25O	09S ·	23E	25	SWSE
43047388010000	FEDERAL 1022-15H	10S	22E	15	SENE
4304739388	FEDERAL 1022-15K	108	22E	15	NESW
43047389240000	FEDERAL 1022-15L	10S	22E	15	NWSW



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District-Vernal Field Office 170 South 500 East Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410 http://www/blm.gov/ut/st/en/fo/vernal/html



IN REPLY REFER TO: 3160 LLUTG01100

March 2, 2009

43.041.39391

Raleen White Kerr McGee Oil & Gas Onshore LP PO Box 173779 Denver, CO 80217-3779

Re:

Return Unapproved APD Well No. Love Unit 1121-03NT SESW, Sec. 3, T11S, R21E Uintah County, Utah Lease No. UTU-8347 Love Unit

Dear Ms. White:

The Application for Permit to Drill (APD) for the above referenced well received June 7, 2007, is being returned unapproved per your request to this office in an email message on February 20, 2009. If you intend to drill at this location at a future date, a new APD must be submitted.

If you have any questions regarding this matter, please contact me at (435) 781-4455.

Sincerely,

Cindy Severson

Cindy Severson Land Law Examiner

Enclosures

CC:

UDOGM

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